



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

in the service of all, she will have surrendered indeed, and we shall have won the war.

The world has been waging since August, 1914, two tremendous wars, one in the realm of force and the other in the realm of ideas. Though these two wars are related to each other, the pathetic fact of all history is that the war of force had to be waged; but the encouraging fact of history is that the war of ideas is on. That is what we mean when we say that we are interested in the events of the military surrender only for their significance, their augury for tomorrow. Since the war of force is upon us, the force of right must prevail over the force of wrong; the force of wrong must surrender unconditionally to the force of right.

But there is no significance in the victory of one brute force over another brute force, except as it relates to the victory of law over chaos, of justice over wrong, of peace over war. We must keep before us as a pillar of cloud by day and a pillar of fire by night those words of the President at Mount Vernon: "What we seek is the reign of law, based upon the consent of the governed and sustained by the organized opinion of mankind."

### THE FOURTH LIBERTY LOAN

SINCE entering the war the United States has negotiated three loans under the Liberty Loan Bond Bill passed by Congress eighteen days after our entrance into the war, April 6, 1917. The flotation of the first issue, begun in May, 1917, was for \$2,000,000,000 at the rate of  $3\frac{1}{2}$  per cent, the term fifteen to thirty years, with the privilege of conversion. Four and one-half million persons oversubscribed the amount by 30 per cent. The second issue, the sale of which began in October, 1917, was for \$3,000,000,000 at 4 per cent, the term from ten to twenty-five years, with the privilege of conversion. Over 9,000,000 persons oversubscribed this amount by 50 per cent. The sale of the third issue for \$3,000,000,000 began April 6, 1918. The rate of interest was  $4\frac{1}{4}$  per cent, the term ten years, with no privilege of conversion. Eighteen million persons oversubscribed the amount by considerably over \$1,000,000,000. The fourth and greatest in the history of finance is for the amount of \$6,000,000,000, at the rate of  $4\frac{1}{4}$  per cent, the bonds to mature October 15, 1938, unless the United States should exercise its reserved right to redeem them on or after October 13, 1933. The interest on \$30,000 of these bonds will be exempt until two years after the termination of the war from sur-taxes and excess profit and war profit taxes. There are other exemptions such as Federal, State and municipal taxes.

As we are facing this fourth loan we may be encouraged by the fact that the total resources of the national

banks of the country increased during the last fiscal year by over \$1,500,000,000. For the first time since 1870, with the exception of the year 1881, there has been no failure of any national bank in the United States for a period of seven months, namely, the first seven months of 1918. The Treasury Department has pointed out that before this war we were paying for the expense of government \$1,000,000,000 annually, that at the close of this war our annual expenses for government, including interest, will not be over \$2,000,000,000. Associated with this forecast is the fact that while Germany after raking her country for jewels has only \$500,000,000 of gold in her vaults, the United States has alone \$2,500,000,000 of gold in her Treasury. Secretary McAdoo pointed out in New York, September 24, that every dollar saved now and invested in Liberty Bonds will appreciate materially after the war. He said: "Every provident man and woman in the United States may find their savings worth twice as much in purchasing power after the war as now. How can anyone more certainly make money than to save it now with the assurance of its enormous enhancement of value when normal conditions are restored?"

As a result of loans already negotiated the United States Government has been able to recruit and land in France with adequate equipment substantially 2,000,000 soldiers. That these soldiers are well fed is shown by General Pershing's statement to Secretary Baker that, "Not a single man has had to wait a minute for a meal that was due." That the soldiers are relatively healthier than the soldiers of any other army in the history of warfare appears from the fact that, while the German army in the Franco-Prussian war lost 25 out of every 1,000 men from disease, and the losses among the French army from the same cause were much higher; while the losses among the Japanese in the Russo-Japanese war were 25 for every 1,000 men; 50 among the soldiers of the Northern army in our Civil war, and 27 among our soldiers in the Spanish-American war, the total American deaths from disease in this war, at home and abroad, have reached the remarkably low number of only 8 out of every 1,000 men. These results are directly attributable to the financial support of our fighting forces by the men and women at home.

But still more important as a result of this support, the American Expeditionary Forces abroad are helping definitely and constructively to defeat the enemies of mankind, to end this war, and to establish a fairer world. The undreamed-of power of the United States today, the prestige of its government, are possible because of the thrift and generous response of our people, who entered upon a disinterested adventure that they intend shall cease only when the German hordes

have been driven back to their own soil and the territories of France and Belgium and Servia have been returned to their rightful heirs.

The Fourth Liberty Loan will succeed because the men and women of America are resolved to take advantage of the co-operative effort now under way in behalf of a better social order based on law and morals, not only for the enduring benefit of England, the United States and France, but of Central Europe and the world beyond.

### SHOULD WE HAVE ACCEPTED THE AUSTRIAN PROPOSAL?

THE persistent and inevitable effort by the European Central Powers to bring about a cessation of hostilities by some form of negotiation has developed apace. Fehrenbach, President of the German Reichstag, said September 18, "No one need doubt that the Chancellor is determined to bring about a peace by understanding." The recent evolution of this effort significantly parallels the development of the Foch military initiative and the increasing power of the American military forces abroad. It is true that statesmen of both groups of belligerents have many times in the past declared their willingness to begin peace negotiations, but there has been apparent a wide difference in the quality of the declarations. The German statements, not only by members of the German Reichstag but by the German and Austro-Hungarian foreign secretaries, have during these months revealed an increasing anxiety. Mr. Asquith's measured statement of May 16 last called attention to the fact that the British Government had "closed no door to overtures in the direction of an honorable peace." In reply, Herr von Kuhlmann remarked with equal restraint, "we can make this pronouncement our own, word for word." Count Burian was speaking calmly, as late as June 10, of his "readiness to peace," and Dr. Leo Lederer firmly added that no new peace offers to the enemy could be expected "so long as the leading statesmen in the enemy countries hold to the views which were represented but yesterday at the banquet in London by Mr. Lloyd George." Indeed, as late as June 22, Count Burian spoke to the Vienna Labor Council with little sign of anxiety of his willingness to discuss "a peace acceptable and honorable for both parties."

The great German Drive, begun March 21, 1918, was at that time nearing its end. It had not failed; indeed, the great offensive in the Rheims sector of July 15 was then being carefully planned by the Germans. But the prospects of taking Paris or the Channel Ports were no

longer bright. The interest in negotiations therefore increased, and a disposition to welcome mediation by a neutral government began to appear in the German and Austro-Hungarian press, and, because of the activities of a small group in Holland, even in the Swiss press.

Since the failure of the German offensive and the cumulative success of the drive of the Entente begun July 18, the interest in peace by negotiation has increased perceptibly in Central Europe, especially since the early days of September. The movement began with the announcement from Rotterdam, September 8, that it was on the way. Then came the endorsement of President Wilson's principles by the President of the Hungarian Independent Party, the acceptance of the idea of a League of Nations by Count Czernin, and a peace speech to German newspaper men at Vienna by the Austria-Hungarian Foreign Minister. Then followed the pronouncements by Von Payer, the Kaiser, Von Hertling, Herr Erzberger, and others. The speech of the Kaiser, September 12, to the Krupp munition workers at Essen, because of its homiletic passion showed unmistakably the fear at the heart of the German people. The same note is discernible in the other pleas. On the other hand, the same day that the Kaiser was feverishly trying to convince his laborers that he had left no stone unturned to shorten the war as far as possible, and that it was continued because of the "envy" and "hatred" of the enemies of Germany, Mr. Lloyd George was telling the people of Manchester that "nothing but heart failure on the part of the British Government can prevent our achieving a real victory." This was the day that the German Imperial Vice-Chancellor, Friedrich von Payer, in an address at Stuttgart, speaking of the German right to "indemnification," said: "We prefer, on calm reflection, and even with our own favorable military situation, to abandon this idea."

But even as late as this the Vice-Chancellor insisted that the German colonies must be restored; that the treaties which Germany had signed with Ukraine, Russia, and Roumania would not be submitted to the Entente Powers; and he spoke with no little assurance about Poland and Russia and Finland. Then came the other peace proposals, ending with the Austrian note of September 16.

The only demand for "peace by negotiation" in this country, so far as we know, has come from that wing of the Socialist party to which belongs Prof. Scott Nearing, candidate for Congress from the 14th District of New York. One plank in Professor Nearing's platform reads, "That the American Government take the necessary steps toward the holding of an international conference for the purpose of bringing about an early,